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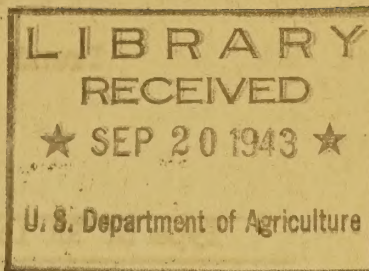
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(For Administrative Use Only)



SIZE OF RR LOAN

"How large are rural rehabilitation loans" is a common question. In order to get at a set of answers, the regional program analysts were asked to prepare a report on the sizes of loans made from July 1, 1941, to March 15, 1942. The data in the tables in this report are taken from the analysts' reports.

In Table 1 below is given a brief summary of the sizes of all RR loans made in the United States during the current fiscal year.

Table 1.
Size of RR Loans Made in the United States
July 1, 1941 to March 15, 1942 *

<u>New Standard Loans</u>		<u>Supplemental Standard Loans</u>	
Average size.....	\$814	Average size.....	\$253
Under \$500, percent.....	36	Under \$200, percent.....	53
\$500 - 999 "	40	\$200 - 499 "	36
\$1,000 - 1,999 "	20	\$500 - 999 "	8
\$2,000 and over "	4	\$1,000 and over "	3

* Source: Form FSA-293

The trend in size of original loans is definitely upward, as shown in Table 2. Particularly noticeable is the very sudden increase between 1941 and 1942, subsequent to the fairly constant level of the previous three years. The original loans so far in the 1942 fiscal year average 25 percent higher than in 1941.

Regional Variation. One reason why the average size of all original RR loans has increased so greatly in 1942 is that the size of loan in the three South-eastern FSA regions (IV, V, and VI) has increased so much. In these regions, where the average loan has been consistently smaller and the size of total case-load larger than in other regions, the average size of original loan jumped from only \$404 in 1941 to \$517 in 1942. Regions II and III have also shown a considerable increase in the size of original RR loan. All other regions have shown either a decrease or a very slight increase.

Table 2.
Trend in Average Size of Original and Supplemental RR Loans
From 1937 to 1942
United States

Type of RR loan	: 1937	: 1938	: 1939	: 1940	: 1941	: 1942
	:\$:\$:\$:\$:\$:\$
Original standard	: 511	: 566	: 621	: 642	: 646	: 814
Supplemental standard	: -	: 220	: 352	: 217	: 193	: 253
	:	:	:	:	:	:

As would be expected, size of loan varies greatly from region to region. For instance, the 5,706 original standard loans in Region IV this fiscal year averaged \$414, while the 2,842 loans in Region II averaged \$1,255.

Size of Loan Related to Farm Resources. In the three southeastern regions, which included 52 percent of the original loans made from July 1, 1941 to March 15, 1942, only 4 percent were over \$1,000, whereas in the nine other regions, 43 percent were over \$1,000. How can such great regional variations in size of loans be accounted for? It is to be noted that the size of the RR loans has followed the pattern of agriculture in the different parts of the Nation. The 1940 Census showed that the average farm family in the South had only approximately \$2,500 worth of land, buildings, equipment, and machinery, whereas the average family in the Upper Corn Belt had \$12,000; the Great Plains, \$10,000; and California, \$20,000. In general, the cash crop farmers in the South have used less farm capital than the more extensive livestock and crop farmers in other areas in the Nation.

Furthermore, it has been shown in a sample study of standard borrowers conducted by the BAE that not only are the loans smaller in the South, but that a smaller proportion of the loan funds is used for capital expenses, and that a much larger proportion is used for family expenses.

Size of Loan and Variation in Farm Income. Related to these variations in farm resources there is a great and similar variation between the different parts of the Nation in farm income. The 1940 Census listed an average gross earned farm income of \$740 per family for the 10 states in the Southeast as compared with \$1,309 for the whole Nation. The 1941 RR Annual Family Progress Report indicated that standard RR borrowers in the South spent an average of \$225 for cash family living while borrowers in the Corn Belt averaged \$352; in the Mountain states, \$455; and in the Southern Pacific Coast states, \$563.

It is evident that another important reason why farmers in the South have gotten along on such small amounts of resources (and RR loans) is that their family living expenditures are so very small. If cash family incomes were more nearly comparable in the different parts of the Nation, then there would probably be less variation from region to region in capital per family and RR loans.

Table 3, below, shows these relationships between capital, RR loans and family living expenditures for a few selected states.

Table 3.
Farm Capital, RR Loans and Cash Family Living in 8
Selected States, 1940

States	:Average value: : land and : buildings : all farms : 1939 <u>1/</u>	:Average :gross earned: :farm income : : all farms : : 1939 <u>1/</u>	:Average net: : income : : stand. RR : : borrowers : : 1941 <u>2/</u>	:Average cash : :family living: : expend. stand.: :RR borrowers : : 1941 <u>2/</u>	:Average size : original : standard : RR loan : 1941 <u>3/</u>
Georgia	: 2,815	: 777	: \$536	: \$161	: \$573
North Carolina	: 2,848	: 957	: 974	: 257	: 491
Missouri	: 3,805	: 1,048	: 843	: 268	: 717
Minnesota	: 6,359	: 1,773	: 1,071	: 408	: 1,330
Iowa	: 11,125	: 2,683	: 1,128	: 391	: 1,008
Montana	: 5,775	: 2,267	: 1,521	: 499	: 1,402
California	: 11,831	: 3,658	: 1,481	: 608	: 1,166

1/ Source: 1940 U. S. Census.

2/ 1941 Annual Family Progress Report of Active Standard RR Borrowers

3/ Form FSA-293. Tabulated by Regional Program Analysts for the period July 1, 1941 to March 15, 1942

In Tables 4 and 5 on the following pages, data on size of loan are given for all states and regions.

Table 4.
Size of Original Loans
 Distribution of Standard RR Borrowers Receiving Original Loans
 July 1, 1941 to March 15, 1942
 According to Size of Loan

Region and state	: Total : : Loans : : Number :	: Average : : size loan : : Dollars :	: Under : : \$500 : : Percent :	: \$500 - : : 999 : : Percent :	: \$1,000 - : : 1,999 : : Percent :	: \$2,000 : : and over : : Percent :
U. S.	: 30,731 :	: 814 :	: 36 :	: 40 :	: 20 :	: 4 :
Region I 2/	: 625 :	: 1,169 :	: 11 :	: 26 :	: 48 :	: 15 :
Connecticut	: 7 :	: 1,416 :	: 0 :	: 14 :	: 57 :	: 29 :
Delaware	: 13 :	: 837 :	: 23 :	: 15 :	: 62 :	: - :
Maine	: 28 :	: 900 :	: 21 :	: 14 :	: 54 :	: 11 :
Maryland	: 104 :	: 1,022 :	: 13 :	: 35 :	: 44 :	: 8 :
Massachusetts	: 9 :	: 706 :	: 11 :	: 56 :	: 22 :	: 11 :
New Hampshire	: 29 :	: 1,348 :	: 7 :	: 31 :	: 41 :	: 21 :
New Jersey	: 31 :	: 1,003 :	: 10 :	: 22 :	: 52 :	: 16 :
New York	: 163 :	: 1,317 :	: 12 :	: 22 :	: 48 :	: 18 :
Pennsylvania	: 179 :	: 1,240 :	: 8 :	: 25 :	: 49 :	: 18 :
Rhode Island	: 6 :	: 1,321 :	: 0 :	: 33 :	: 50 :	: 17 :
Vermont	: 56 :	: 1,139 :	: 9 :	: 32 :	: 52 :	: 7 :
Region II	: 2,842 :	: 1,255 :	: 14 :	: 31 :	: 46 :	: 9 :
Michigan	: 561 :	: 971 :	: 19 :	: 39 :	: 37 :	: 5 :
Minnesota	: 1,469 :	: 1,330 :	: 11 :	: 29 :	: 50 :	: 10 :
Wisconsin	: 812 :	: 1,299 :	: 16 :	: 31 :	: 46 :	: 7 :
Region III	: 3,391 :	: 868 :			: 32 :	: 2 :
Illinois	: 483 :	: 950 :			: 45 :	: 1 :
Indiana	: 317 :	: 870 :			: 34 :	: 3 :
Iowa	: 789 :	: 1,008 :	NO BREAKDOWN		: 49 :	: 2 :
Missouri	: 1,256 :	: 717 :			: 18 :	: 1 :
Ohio	: 546 :	: 892 :			: 29 :	: 4 :
Region IV	: 5,706 :	: 414 :	: 69 :	: 25 :	: 6 :	: 1/ :
Kentucky	: 1,908 :	: 346 :	: 81 :	: 16 :	: 3 :	: - :
North Carolina	: 1,719 :	: 491 :	: 55 :	: 36 :	: 9 :	: 1/ :
Tennessee	: 1,109 :	: 355 :	: 74 :	: 23 :	: 3 :	: - :
Virginia	: 665 :	: 467 :	: 65 :	: 24 :	: 10 :	: 1 :
West Virginia	: 305 :	: 519 :	: 60 :	: 26 :	: 13 :	: 1 :
Region V	: 4,745 :	: 538 :	: 49 :	: 48 :	: 3 :	: - :
Alabama	: 862 :	: 475 :	: 54 :	: 43 :	: 3 :	: - :
Florida	: 448 :	: 413 :	: 83 :	: 15 :	: 2 :	: - :
Georgia	: 1,883 :	: 573 :	: 43 :	: 53 :	: 4 :	: - :
South Carolina	: 1,552 :	: 548 :	: 44 :	: 53 :	: 3 :	: - :

Table 4
(Contd.)

Region and state	Total Loans	Average size loan Dollars	Under \$500 Percent	\$500 - 999 Percent	\$1,000 - 1,999 Percent	\$2,000 and over Percent
	Number					
Region VI	7,190	602	30	66	4	-
Arkansas	2,533	582	32	63	5	-
Louisiana	1,338	612	40	54	6	-
Mississippi	3,319	620	24	73	3	-
Region VII	5,152	975	53	11	34	2
Kansas	1,361	773	50	19	30	1
Nebraska	1,492	939	60	10	28	2
North Dakota	938	856	64	7	28	1
South Dakota	1,361	1,290	39	5	49	7
Region VIII	4,451	901	21	42	31	6
Oklahoma	2,045	976	13	45	36	6
Texas	2,406	845	28	39	27	6
Region IX ^{2/}	338	1,159	15	20	40	25
Arizona	60	1,125	18	23	32	27
California	171	1,166	5	16	48	31
Nevada	26	1,720	23	15	35	27
Utah	72	826	33	28	29	10
Hawaii	9	1,000	22	33	45	-
Region X	1,137	1,213	31	13	26	30
Colorado	372	720	43	17	26	14
Montana	499	1,402	32	10	22	36
Wyoming	266	1,698	9	14	34	43
Region XI	744	1,182	16	25	38	21
Idaho	331	1,226	14	24	46	16
Oregon	211	978	23	34	32	11
Washington	202	1,380	10	18	32	40
Region XII	1,179	1,140	53	16	23	8
N. Mexico	536	724	72	11	11	6
Oklahoma	40	1,185	30	40	28	2
Texas	603	1,188	37	18	35	10

^{1/} Less than .5 percent.

^{2/} For the period July 1, 1941 to February 28, 1942.

Table 5.
Size of Supplemental Loans
Distribution of Standard RR Borrowers Receiving Supplemental Loans
July 1, 1941 to March 15, 1942
According to Size of Loan

Region and state	Total : loans	Average : size loan : Dollars	Under : \$200 : Percent	\$200 - : 499 : Percent	\$500 - : 999 : Percent	\$1,000 : and over : Percent
U. S. Total	: 150,030 :	: 253 :	: 53 :	: 36 :	: 8 :	: 3 :
Region I 2/	: 2,402 :	: 456 :	: 32 :	: 29 :	: 25 :	: 14 :
Connecticut	: 21 :	: 960 :	: 10 :	: 33 :	: 29 :	: 28 :
Delaware	: 27 :	: 490 :	: 33 :	: 19 :	: 30 :	: 18 :
Maine	: 473 :	: 782 :	: 19 :	: 16 :	: 31 :	: 34 :
Maryland	: 168 :	: 521 :	: 18 :	: 28 :	: 43 :	: 11 :
Massachusetts	: 62 :	: 650 :	: 16 :	: 19 :	: 45 :	: 19 :
New Hampshire	: 133 :	: 550 :	: 20 :	: 35 :	: 29 :	: 16 :
New Jersey	: 104 :	: 783 :	: 10 :	: 17 :	: 41 :	: 32 :
New York	: 555 :	: 357 :	: 36 :	: 35 :	: 22 :	: 7 :
Pennsylvania	: 618 :	: 316 :	: 43 :	: 34 :	: 18 :	: 5 :
Rhode Island	: 13 :	: 846 :	: - :	: 8 :	: 23 :	: 69 :
Vermont	: 228 :	: 282 :	: 55 :	: 26 :	: 12 :	: 7 :
Region II	: 2,991 :	: 379 :	: 37 :	: 35 :	: 22 :	: 6 :
Michigan	: 1,007 :	: 381 :	: 36 :	: 35 :	: 22 :	: 7 :
Minnesota	: 1,239 :	: 352 :	: 42 :	: 33 :	: 21 :	: 4 :
Wisconsin	: 745 :	: 424 :	: 29 :	: 39 :	: 24 :	: 8 :
Region III	: 8,454 :	: 257 :				: 3 :
Illinois	: 1,294 :	: 249 :				: 2 :
Indiana	: 961 :	: 310 :	No breakdown under 1,000 available			: 4 :
Iowa	: 1,417 :	: 341 :				: 5 :
Missouri	: 3,364 :	: 214 :				: 1 :
Ohio	: 1,418 :	: 218 :				: 4 :
Region IV	: 17,249 :	: 252 :	: 49 :	: 38 :	: 12 :	: 1 :
Kentucky	: 2,390 :	: 217 :	: 56 :	: 36 :	: 7 :	: 1 :
North Carolina	: 6,974 :	: 338 :	: 28 :	: 50 :	: 20 :	: 2 :
Tennessee	: 4,792 :	: 144 :	: 73 :	: 24 :	: 3 :	: 1/ :
Virginia	: 2,243 :	: 245 :	: 51 :	: 35 :	: 12 :	: 2 :
West Virginia	: 850 :	: 223 :	: 59 :	: 28 :	: 10 :	: 3 :
Region V	: 39,824 :	: 192 :	: 58 :	: 42 :	: - :	: - :
Alabama	: 17,321 :	: 161 :	: 69 :	: 31 :	: - :	: - :
Florida	: 3,053 :	: 203 :	: 58 :	: 42 :	: - :	: - :
Georgia	: 12,638 :	: 199 :	: 55 :	: 45 :	: - :	: - :
South Carolina	: 6,812 :	: 230 :	: 44 :	: 56 :	: - :	: - :

Table 5
(Contd.)

Region and state	Total loans	Average size loan	Under \$200	\$200 - 499	\$500 - 999	\$1,000 and over
	Number	Dollars	Percent	Percent	Percent	Percent
Region VI	39,922	224	48	42	9	1
Arkansas	13,786	173	66	32	2	1/
Louisiana	10,276	290	29	46	23	2
Mississippi	15,860	225	46	47	7	1/
Region VII	10,372	193	67	26	6	1
Kansas	4,169	178	67	26	6	1
Nebraska	3,732	145	77	19	3	1
North Dakota	755	288	57	26	13	4
South Dakota	1,716	318	48	40	10	2
Region VIII	22,604	267	56	29	10	5
Oklahoma	8,957	227	64	24	8	4
Texas	13,647	290	51	32	12	5
Region IX 2/	1,458	468	31	32	23	14
Arizona	235	319	25	27	32	16
California	719	550	28	34	23	15
Nevada	82	395	34	40	18	8
Utah	422	955	40	30	17	13
Region X	5,980	466	43	25	17	15
Colorado	2,170	384	47	27	16	10
Montana	2,106	425	47	23	16	14
Wyoming	1,704	650	33	26	20	21
Region XI	2,207	497	33	32	23	12
Idaho	1,089	416	40	29	21	10
Oregon	590	533	29	37	21	13
Washington	528	630	22	32	28	18
Region XII	5,021	353	55	25	12	8
New Mexico	1,296	363	46	29	16	9
Oklahoma	186	469	34	37	19	10
Texas	3,539	262	60	23	10	7

1/ Less than .5 percent

2/ For the period July 1, 1941 to February 28, 1942.

